

REMARKS

Summary

Claims 1-7 were pending. Claim 2 has been cancelled, Claim 1 rewritten, and Claims 8-34 added. No new matter has been added as a result of this amendment. Claims 1 and 3-34 are pending after entry of this amendment.

Rejection of Claims

In the Office Action, Claims 1-4 and 6-7 were rejected under 35 U.S.C. §103(a) as being unpatentable over Kim (U.S. Patent 6,429,909) in view of Kanou (U.S. Patent Application 20040070709), Claim 5 was rejected under 35 U.S.C. §103(a) as being unpatentable over Kim in view of Kanou in view of Yi (U.S. Patent Application 2003006238). Applicants traverse the rejections. Nevertheless, Applicants have rewritten Claim 1 to incorporate the elements of Claim 2 and submit that Claim 1 and Claims 3-34 are patentable over the cited references.

Claim 1 recites an active matrix substrate that comprises, inter alia, diffusively reflective pixel electrodes electrically connected to respective switching elements through contact holes formed in an insulating layer. The contact holes are masked in a plan view. A counter substrate having a counter electrode faces the pixel electrodes and a light modulating layer is held between the active matrix substrate and the counter substrate.

Applicants agree with the Examiner that Kim discloses neither a counter electrode nor a reflective pixel electrode. The Examiner uses Kanou to remedy this deficiency. However, Kim teaches an LCD that employs a transparent pixel electrode while Kanou teaches an LCD that employs a reflective pixel electrode. These two types of LCDs are entirely different from each other and are fabricated using different methods. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). There is no indication in either Kim or Kanou that it would be desirable to combine the references. In fact, Kim is directed towards a transparent LCD in which defects caused by broken gate lines are minimized while Kanou is directed towards

a reflective LCD in which having a reduced number of process steps and in which deterioration of the switching elements is decreased. This is to say that Kim and Kanou are directed towards entirely different arrangements and have entirely different objectives.

Moreover, if the transparent pixel electrode taught by Kim were merely replaced by the reflective pixel electrode of Kanou, the proposed modification would render the LCD of Kim unsatisfactory for its intended purpose. Kim does not teach the use of a reflector, thus the light used for display is generated by a light source in the LCD and passes directly through the pixel electrode (and the substrate on which the pixel electrode is fabricated), the light modulating layer, and then the opposite substrate in order to be viewed. If the transparent pixel electrode of Kim were replaced by a reflective pixel electrode, the generated light passing through the substrate on which the transparent pixel electrode is disposed could not pass through the light modulating layer or the opposite substrate. It would take substantial modification of the arrangement in Kim to enable replacement of the transparent pixel electrode with a reflective pixel electrode.

For at least these reasons, Claim 1 is patentable over the cited references.

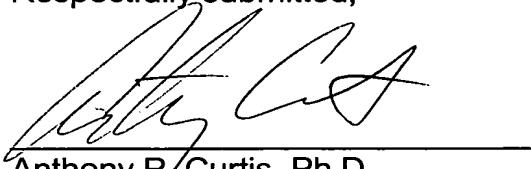
New Claim 21 recites, *inter alia*, that each pixel electrode and switching element are connected through multiple contact holes. None of the cited references, alone or together, anticipate or suggest the arrangement of Claim 21. Accordingly, for at least this reason Claim 21 is patentable over the cited references.

For at least reasons similar to those previously presented New Claim 32 is patentable over the cited references.

Conclusion

In view of the amendments and arguments above, Applicants respectfully submit that all of the pending claims are in condition for allowance and seek an allowance thereof. If for any reason the Examiner is unable to allow the application in the next Office Action and believes that a telephone interview would be helpful to resolve any remaining issues, he is respectfully requested to contact the undersigned.

Respectfully submitted,



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